

IMPORTANT ANNOUNCEMENT
CONCERNING THE
CONTINUING PROFESSIONAL EDUCATION
(“CPE”) REQUIREMENTS
FOR THE
2006-2007 PERMIT TO PRACTICE

Effective January 1, 2006, the Board of Public Accountancy (“**Board**”) will require four (4) hours of Continuing Professional Education (“**CPE**”) in ethics to be part of the eighty (80) CPE hours required for renewal or granting of a certified public accountant’s Permit to Practice for the 2006-2007 biennium. The requirements and guidelines for all CPE, as set forth in Hawaii Administrative Rules sections 16-71-31 through 16-71-48, will apply to this new ethics CPE requirement.

SUMMARY OF CPE REQUIREMENTS FOR 2006-2007 PERMIT TO PRACTICE

- In order for a Hawaii certified public accountant (“CPA”) to practice public accountancy, regardless of the extent or degree of the practice, that CPA must apply for and be granted a Permit to Practice;
- To renew or initially obtain a Permit to Practice for the 2006-2007 biennial period, 80 CPE hours must have been earned within the previous 24 months;
- 4 hours of the required 80 CPE hours must have been earned in ethics courses;
- CPE sponsors (providers of CPE programs) must be approved by the National Registry of the National Association of State Boards of Accountancy, the Hawaii Board, or any other board of accountancy from another state or jurisdiction recognized by the Hawaii Board;
- Automatically approved CPE sponsors include recognized accounting and auditing associations and accredited colleges and universities;
- A licensee who was granted his/her first Permit to Practice during the current 2004-2005 biennial period may prorate the number of CPE hours required for renewal of that Permit to Practice, at a rate of 10 CPE hours per quarter year;
- However, the 4 CPE hours in ethics requirement continues to be applicable regardless of the total requirement;
- A minimum of 50 minutes constitute a CPE hour;
- No CPE credit will be granted for time expended for study outside of the approved program, nor for programs or courses repeated in any single year;
- Carryover CPE hours allowed shall continue to be limited to 40 CPE hours, provided that the compulsory 4 CPE hours in ethics shall be required for any subsequent biennial periods; and
- The Board will continue to require written evidence of attendance and completion of CPE hours (certificates of completion) to be issued by a CPE sponsor to each CPA attendee, and will continue to allow a CPA to retain these certificates to be submitted to the Board in the event of an audit, provided that the retention period shall be 2 renewal periods.

FOR QUESTIONS REGARDING THIS NEW CPE REQUIREMENT

CALL THE BOARD’S OFFICE AT: (808) 586-2696